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NIO # 905-74

DDI-1353-74

2 May 1974

MEMORANDUM FOR : Director, Office of Economic Research

SUBJECT : Project Independence: International  
Assessment

1. This is to confirm the points on which we agreed in our telephone conversation of 30 April 1974 on this subject; these amplify my memorandum to you on this subject, dated 29 April 1974.

a. The two requirements for CIA under Task I and Task II are basic to the work being done by both the IERG Working Group and the FEO "International Assessment" related to Project Independence.

b. Some of the work related to these is already in process within OER in response to requirements originating in the IERG Working Group. CIA should proceed under the assumption that a CIA product on each of these will serve both the IERG and FEO efforts.

c. The FEO "Tasks" are in some ways broader than the related requirements from the IERG and appear to transcend the limits of OER's capabilities. For this reason, any formal request for work related to the FEO Tasks I and II should be addressed to the DDI.

d. CIA will proceed with the work under both Task I and Task II unilaterally. It is not envisaged that the NSC will in fact make a contribution to the work described under Task I, Sub-task one. The State Department will presumably wish to participate in the preparation of Task II, Sub-task one. I think it is prudent to assume that CIA will have to do the work and prepare the draft but that State will wish to comment and contribute before the joint State/CIA report is submitted.


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e. It is recognized that the Task I and Task II separation is arbitrary and artificial and that the two issues are related. There is no objection to related work being done on the two areas described under Task I and Task II.

f. We will, in Task I, comment only on oil and gas as proposed by FEO on page 3 of their overall report on the Project Independence Working Group.

g. Regardless of the FEO decision to focus on oil and gas in this effort, we do have a broader requirement for updating our supply and demand picture for nuclear and coal in the same timeframe. This is a separate problem that is not covered by this memorandum.

  
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NIO/Energy:JHCritchfield:hfs (2 May 1974)

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